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SUBJECT: DCM SPOTLIGHTS U.S. PROGRAMS IN PROSPEROUS PROVINCIAL CAPITAL

**¶1. SUMMARY.** Deputy Chief of Mission Paul Jones visited Iloilo City, the relatively prosperous capital of pastoral Iloilo province on the Visayan island of Panay, December 7-8. He toured a U.S. Department of Agriculture funded dairy plant which supplies milk to more than 2,000 undernourished children daily, visited an emergency shelter for exploited children, talked to university students, and met with local religious and political leaders. The visit received significant local media coverage, including multiple television and radio interviews. END SUMMARY.

**¶2.** The DCM began his trip to Iloilo City with a Q&A session at Central Philippines University (CPU), the site of an American Studies Resource Center (ASRC). CPU was founded by American Baptist missionaries, who led the university until the 1960s. At the ASRC, twenty-five CPU students participated in an informal dialogue with the DCM, who fielded questions on North Korea, USAID programs in Mindanao, and USG-funded HIV/AIDS programs. Many of the students expressed their interest in seeking employment in the United States, inquiring about nursing exams and graduate programs.

**¶3.** The DCM visited the impressive Tigbuan Dairy Processing Plant 20 miles outside Iloilo City - an unusual operation in a country where the benefits of dairy farming are largely unknown. In FY 2006, the USDA donated more than one million dollars to the Philippine National Dairy Authority to purchase 400 dairy cows from New Zealand and to construct a modern milk processing plant at this site. Local farmers earn additional livelihood by selling raw milk to the plant and more than 2,000 elementary school students receive free milk each day, substantially improving their health and increasing their performance in school. This program has been similarly successful in other provinces, with more than 106,000 students receiving free milk each year. This program has been relatively low-profile, with few people aware of it, even in Iloilo City. USDA is planning to publicize it more vigorously in 2007 as an example of USG efforts to improve health, livelihood, and education in the Philippines.

**¶4.** Counselors at the Visayan Forum Foundation Kasambahay Center, an anti-child-trafficking program, introduced the DCM to more than a dozen of their current and former clients during a tour of the facility. The Center cooperates with local police and social workers to provide emergency shelter and counseling to exploited children, both abused domestic workers and those seeking to escape the sex industry. The Center helps them return to their homes or to find better living and employment conditions where they can also continue their education. The Visayan Forum Foundation, the recipient of ongoing USAID (\$430,000) and State (\$130,000) anti-trafficking grants and frequent partner in USG anti-trafficking efforts, provides the funding for the Center.

**¶5.** The DCM met with Archbishop Angel Lagdameo as a follow-up to a breakfast meeting hosted by the Ambassador in July 2006. Archbishop Lagdameo is the current president of the Catholic Bishops Conference of the Philippines (CBCP) and an outspoken opponent of President Arroyo's administration. Lagdameo vigorously explained the Catholic

Bishops Conference continued opposition to ongoing administration initiative to change the current bicameral legislature to a unicameral parliamentary body (frequently called charter change.) The Archbishop was much less engaging on the moral aspects of trafficking in persons, which the DCM raised in the context of his visit to the Kasambahay Center. The Ambassador and DCM had a similar experience with Lagdameo last July, and will continue to press the issue with him and other religious leaders.

¶6. Iloilo Provincial Governor Neil Tupas, during the DCM's courtesy call on December 8, attributed Iloilo's relative affluence and prosperity to the remittances and investment from the region's many seafarers and overseas contract workers. He credited Iloilo's low crime rate to low unemployment and a diversified regional economy. Tupas commented that extrajudicial killings and New Peoples Army activities in the region are extremely rare. Along with other interlocutors, he cited the high cost of power and frequent brownouts as bars to new investment in Iloilo. Politicians hope to build a new coal-fired power plant but face strong opposition from church leadership. Tupas volunteered that he broke with President Arroyo together with his Iloilo political ally, former Senate President Frank Drillon, in the summer of 2005. Tupas shared that just prior to a birthday party attended by President Arroyo the day before the DCM's visit, all of the mayors and governors in attendance were asked to sign a statement of their support for charter change; Tupas was the lone hold-out.

¶7. Press coverage of the visit was widespread, with a picture and article on the DCM's anti-trafficking center visit on the front page of the local paper the following morning. The DCM also participated in a live radio interview on the most popular lunchtime show in the region (95% penetration) and in two taped television interviews for the only networks with local news programming. During these interviews, the DCM spotlighted U.S. programs, interest and

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investment in the region, particularly the USDA-funded dairy program. In response to questions about the recently concluded Marine trial, he recapped the benefits to the Philippines from the Visiting Forces Agreement, and expressed our hope that the Philippine government would live up to its obligations.

KENNEY